

Message Text

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44

ACTION AF-18

INFO OCT-01 EUR-25 EB-11 ISO-00 SPC-03 SAM-01 AID-20

NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 FEA-02 SCI-06 COME-00 INT-08 L-03 H-03 CIAE-00

INR-10 NSAE-00 DRC-01 /156 W
----- 021055

R 311503Z JAN 74

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 2609

INFO AMEMBASSY LONDON

LIMITED OFFICIAL USE LAGOS 0872

E.O. 11652: N/A

TAGS: ENRG BEIS NI

SUBJECT: TEXFEL COMPLAINS ABOUT LNG EXCLUSION

REF: LAGOS 833

1. SUMMARY. IN JANUARY 29 CONVERSATION WITH CHARGE, I.T. SCHWADE OF TEXFEL PETROLEUM CO ALLEGED THAT HIS FIRM HAD BEEN REPRESENTED TO FMG AS HAVING RECORD OF VIOLATIONS OF US LAWS AND AS RESULT HAD BEEN EXCLUDED FROM CONSIDERATION FOR LNG PROJECT. SCHWADE SAID HE WISHED EMBASSY TO KNOW FACTS AND THAT HE MIGHT RETURN WITH REQUEST FOR EMBASSY ASSISTANCE IF TEXFEL'S EFFORTS TO CORRECT SITUATION FAILED. END SUMMARY.

2. SCHWADE CLAIMED TO KNOW THAT IN JANUARY 23 DISCUSSION OF LNG PROJECT IN FEDERAL EXECUTIVE COUNCIL, ATTORNEY GENERAL GRAHAM DOUGLAS HAD MADE PRESENTATION TO COUNCIL IN WHICH HE CHARACTERIZED TEXFEL AND ITS PRESIDENT, D. FELDMAN, AS HAVING RECORD OF CONVICTIONS FOR VIOLATIONS OF US LAWS. SDWADE MAINTAINED THAT HAD IT NOT BEEN FOR ATTORNEY GENERAL'S PRESENTATION, TERMS
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OF TEXFEL PROPOSAL WOULD HAVE WON IT PLACE ON SHORT LIST

OF PREFERRED FIRMS THAT FEC REPORTEDLY APPROVED IN JANUARY 23 SESSION, AND FROM WHICH FINAL SELECTION FOR LNG PROJECT(S) WILL PRESUMABLY BE MADE (AS REPORTED LAGOS 833 ZHESE ARE SHELL/BP, PHILLIPS-AGIP, TENNECO AND EITHER GULF OR PRITCHARD. IN SCHWADE'S VERSION FOURTH FIRM WAS PRITCHARD).

3. SCHWADE SIAD THAT VIOLATIONS THAT ATTORNEY GENERAL CITED HAD IN FACT OCCURRED, BUT WERE ESSENTIALLY TEHCNICAL VIOLATIONS OF TEXAS PRORATIONING STATUTES THAT HAD OCCURRED IN EARLY DAYS OF TEXAS PRORATIONING AND OF WHICH MOST OIL OPERATORS HADHSLSO BEEN GUILTY. SCHWADE PROFESSED TO BELIEVE THAT ATTORNEY GENERAL'S PRESENTATION HAD BEEN INSPIRED BY SHELL/BP, WITH WHICH ATTORNEY GENERAL ONCE ASSOCIATED.

4. SCHWADE ADDED HE KNEW ESSENTIALS OF OTHER FIRMS' LNG PROPOSALS, AND THAT FROM NIGERIAN POINT OF VIEW TEXTFEL PROPOSAL WAS CLEARLY MOST ADVANTAGEOUS. HE CLAIMED TO BE COMPLETELY SATISFIED THAT IF IT HAD NOT BEEN FOR ATTORNEY GENERAL'S INTERVENTION, TEXTFEL WOULD HAVE BEEN AT OR NEAR TOP OF ANY SHORT LIST.

5. SCHWADE SIAD THAT ON REFLECTION, HE HAD DECIDED NOT TO ASKFOR EMBASSY ASSISTANCE OR INTERVENTION AT THIS JUNCTURE. TEXTFEL HAD INFLUENTIAL LOCAL ASSOCIATE CHIEF AWOLOWO (AND SCHWADE CREDITED HIM WITH HAVING BLOCKED ON TEXTFEL'S BEHALF AWARD OF LNG PROJECT TO SHELL/BY TWO YEARS AGO) AND TEXTFEL WOULD EXPLORE WITH HIM POSSIBILITUES OF CORRECTING SITUATION IN TEXTFEL'S FAVOR.

6. SCHWADE THOUGHT TEXTFEL'S BEST COURSE WAS TO GET BEFORE GENERAL GOWON EVIDENCE THAT FELDMAN'S PAST VIOLATIONS HAD BEEN ESSENTIALLY TECHNICAL, PREFERABLY BY WAY OF MEETING BETWEEN FELDMAN AND GENERAL; AND TO SEEK TO PERSUADE GENERAL TO ADD TEXTFEL TO SHORT LIST, SO THAT ITS PROPOSAL COULD BE COMAPRED WITH THAT OF OTHERS.

7. SCHWADE SIAD THAT IF TEXTFEL'S OWN EFFORTS FAILED HE OR FELDMAN MIGHT RETURN TO EMBASSY WITH REQUEST FOR LIMITED OFFICIAL USE

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ASSISTANCE.

8. BACKGROUND THIS CASE CONTAINED STATE 077895. LAGOS 9314, STATE 080428 (ALL APRIL 1973), AND MEMCON DATED MAY 4, 1973, POUCHED AF/W/NI. CROSBY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, LPG, LAW
Control Number: n/a
Copy: SINGLE
Draft Date: 31 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LAGOS00872
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LAGOS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974013/aaaaacbq.tel
Line Count: 113
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Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: LAGOS 833
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 20 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 JUN 2002 by boyleja>; APPROVED <26 JUN 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
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30 JUN 2005

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Review Withdrawn Fields: n/a
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Subject: TEXTFEL COMPLAINS ABOUT LNG EXCLUSION
TAGS: ENRG, BDIS, NI, TELFEX PETROLEUM CO, (SCHWADE, I T)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005